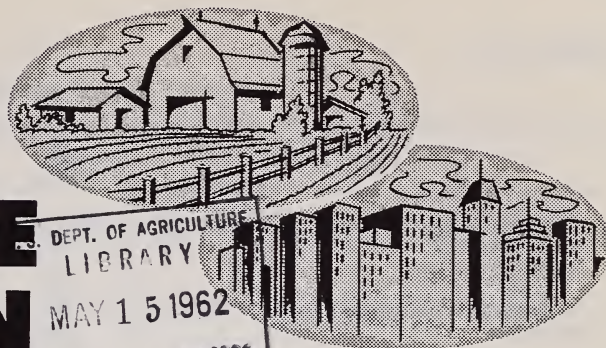


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1.9
EC752Pa
Cp. 2

DEMAND AND PRICE SITUATION



DPS-88

For Release April 26, P. M.

APRIL 1962

COMMODITY HIGHLIGHTS

GENERAL AGRICULTURAL SITUATION

Published monthly by
**ECONOMIC RESEARCH
SERVICE**

**U. S. DEPARTMENT OF
AGRICULTURE**

FACTORS AFFECTING DEMAND FOR FARM PRODUCTS

FOREIGN DEVELOPMENTS

CURRENT COMMODITY SITUATION

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1961			1962		
		Year	Mar.	Dec.	Jan.	Feb.	Mar.
Industrial production, seasonally adj. <u>1/</u>	: 1957=100	: 109	103	115	114	115	116
Final products	: do.	: 112	107	118	116	117	118
Consumer goods	: do.	: 116	111	122	121	121	122
Autos	: do.	: 97	71	127	114	109	110
Equipment, including defense	: do.	: 104	99	110	108	110	112
Materials	: do.	: 106	99	112	111	113	114
Construction: <u>2/ 3/</u>	:	:	:	:	:	:	:
Total outlays	: Mil. dol.	: 57,399	55,794	58,910	59,019	56,698	56,641
Public construction	: Mil. dol.	: 17,034	17,283	17,029	17,942	16,754	16,415
Private residential	: Mil. dol.	: 22,499	20,508	24,440	23,187	22,154	22,146
Housing starts, private only	: Thousands	: 1,304	1,296	1,297	1,273	1,149	1,409
Manufacturers' sales and inventories: <u>2/</u>	:	:	:	:	:	:	:
Total sales, seasonally adjusted	: Mil. dol.	: 30,770	29,550	32,400	32,090	32,780	
Durable goods	: Mil. dol.	: 14,560	13,690	15,660	15,130	14,800	
Unfilled orders-sales ratio <u>4/</u>	:	: 3.10	3.12	2.88	2.95	2.91	
Inventory-sales ratio, total <u>5/</u>	:	: 1.79	1.80	1.70	1.74	1.71	
Durable goods	:	: 2.16	2.21	2.01	2.05	2.03	
Employment and wages: <u>6/</u>	:	:	:	:	:	:	:
Total civilian employment	: Millions	: 66.8	65.5	66.5	65.1	65.8	66.3
Nonagricultural	: do.	: 61.3	60.5	62.0	60.6	61.2	61.5
Unemployment	: do.	: 4.8	5.5	4.1	4.7	4.5	4.4
Workweek in manufacturing	: Hours	: 39.8	39.1	40.6	39.7	40.0	40.3
Hourly earnings in manufacturing	: Dollars	: 2.32	2.29	2.38	2.39	2.38	2.38
Income and spending:	:	:	:	:	:	:	:
Personal income <u>2/ 3/</u>	: Bil. dol.	: 416.7	407.3	431.8	430.1	433.3	435.3
Consumer credit outstanding <u>1/</u>	: Mil. dol.	: 56,850	53,641	57,139	56,278	55,592	
Automobile	: Mil. dol.	: 16,950	16,922	16,960	16,878	16,900	
Total retail sales, seasonally adj. <u>2/</u>	: Mil. dol.	: 18,241	18,127	18,836	18,845	19,063	19,290
Durable goods	: Mil. dol.	: 5,626	5,547	5,924	5,930	6,003	6,225
Inventory-sales ratio <u>5/</u>	:	: 1.47	1.44	1.43	1.43	1.41	
Prices: <u>6/</u>	:	:	:	:	:	:	:
Wholesale prices, all commodities	: 1957-59=100	: 100	101	100	101	101	101
Commodities other than farm and food	: do.	: 101	101	101	101	101	101
Farm products	: do.	: 96	98	96	98	98	98
Foods processed	: do.	: 101	102	101	102	102	101
Consumer price index, all items	: do.	: 104	104	104	104	105	
Food	: do.	: 103	103	102	103	103	
Prices received by farmers <u>7/</u>	: 1910-14=100	: 240	243	240	242	243	244
Crops	: do.	: 226	224	224	224	227	233
Livestock and products	: do.	: 251	259	255	256	257	254
Prices paid, interest, taxes and wage rates <u>7/</u>	: 1910-14=100	: 301	302	302	304	305	305
Family living items	: do.	: 291	290	292	293	294	294
Production items	: do.	: 266	269	267	268	268	269
Parity ratio <u>7/</u>	:	: 80	80	79	80	80	80
Farm income and marketings: <u>7/</u>	:	:	:	:	:	:	:
Volume of farm marketings	: 1947-49=100	: 135	103	145	144	102	101
Cash receipts from farm marketings	: Mil. dol.	: 34,755	2,259	3,192	3,105	2,229	2,200

Annual data for most of the items for years 1929, 1941 and 1947-61 appear on page 34 of this issue.

1/ Federal Reserve Board. 2/ U. S. Department of Commerce. 3/ Seasonally adjusted annual rates.

4/ Unfilled orders for durables divided by monthly deliveries. 5/ Inventories, book value, end of month, divided by sales. 6/ U. S. Department of Labor. 7/ U. S. Department of Agriculture.

- - - - -
T H E D E M A N D A N D P R I C E S I T U A T I O N
- - - - -

Approved by the Outlook and Situation Board, April 19, 1962

<u>CONTENTS</u>	
	<u>Page</u>
Summary.....	3
Agricultural Outlook for 1962.....	3
General Economic Outlook for 1962.....	4
Commodity Highlights.....	5
General Agricultural Situation.....	6
Agricultural Outlook, 1962.....	6
Factors Affecting Demand for Farm Products.....	14
General Economic Outlook, 1962.....	14
Current Commodity Situation.....	20
Livestock and Products	
Meat Animals.....	20
Dairy Products.....	22
Poultry and Eggs.....	23
Wool.....	24
Crops	
Wheat.....	25
Feed Grains.....	26
Oilseeds, Fats and Oils.....	27
Fruit.....	28
Commercial Vegetables.....	29
Potatoes and Sweetpotatoes.....	30
Dry Beans and Peas.....	30
Cotton.....	30
Tobacco.....	32

SUMMARY

Agricultural Outlook for 1962

Farm operators' realized net income during 1962 will probably total about the same as the improved level reached in 1961. Last year's realized net income of \$12.7 billion was \$1 billion more than in 1960, and the highest since 1953. The current outlook appraisal for agriculture parallels the estimates last

fall. Movements in prices and marketings of agricultural commodities during the first quarter of this year have followed the pattern anticipated at the November 1961 Outlook Conference.

Gross farm incomes in 1962 will likely rise some from the \$39.6 billion realized by farmers in 1961, reflecting a small increase in cash receipts from marketings of farm products and some further rise in Government payments. Livestock marketings will be larger and prices possibly slightly lower; crop marketings will likely be smaller and prices will average higher than in 1961. For the first three months of this year, total cash receipts about equaled those in the same period of 1961.

A further rise in farm production expenses, however, will likely offset the prospective gain in gross income. Prices paid for production items are expected to continue a little above 1961 and the uptrend in charges for taxes, interest, and farm wages is expected to continue during 1962. These appraisals assume present farm programs and announced price supports, average growing conditions, an expansion in the total demand for farm products, and no major change in the international situation.

Marketings of hogs, cattle and calves, and milk are expected to exceed last year's totals, with broiler and egg marketings not too different from a year earlier, and turkey marketings smaller. Marketings of crops may be smaller than in 1961 because of production cutbacks under the continued Feed Grain Program and the new 1962 Wheat Program. Furthermore, prospective crop plantings for 1962, as of March 1, indicated the smallest planted acreage since 1929, when records began. But with average growing conditions, the uptrend in crop yields is likely to have some offsetting effect.

Prices received by farmers are expected to average about the same this year as in 1961, with livestock product prices slightly lower and crop prices higher. In the first quarter of 1962 prices overall averaged the same as in the corresponding quarter a year earlier, with livestock product prices down about 2 percent and crop prices up by 3 percent. Somewhat lower prices during 1962 compared with 1961 are now indicated for hogs, eggs, and milk; cattle and broiler prices may average about the same; and sheep and lamb and turkey prices are likely to be higher. Prices for major crops, with the exception of oil-bearing crops and fruit are expected to average higher this year than last, reflecting either unchanged or higher support prices and improved supply conditions for several crops.

This year exports of agricultural products may total about the same as the \$5 billion value recorded in 1961. Although exports of cotton may be substantially less than last year, larger exports of fats and oils and feed grains are likely to be about offsetting.

General Economic Outlook for 1962

A continued expansion in business activity is expected in coming months, supported by prospective increases in Government purchases, a con-

tinued expansion in business investment, and a further rise in consumer buying. The nation's output of goods and services was at a rate of \$549 billion in the first quarter of this year, almost 10 percent higher than in the same period of 1961, which marked the bottom of the 1960-61 recession. As the economic advance continues, however, the gain from the year-earlier levels is likely to narrow.

Government expenditures during the rest of 1962 are expected to continue their upward trend, reflecting increased outlays for national defense and the space program. Business capital outlays in the first half of 1962, according to trends in the first quarter and reported plans for the second quarter, are expected to total about 8 percent above a year earlier. Business outlays for new capital are likely to continue rising as the outlook for sales and profits is relatively favorable. Reported investment plans for the rest of this year indicate capital outlays in the last half of 1962 about 8 percent above the same period in 1961.

The expected increase in Government demand and private investment during the rest of 1962 will result in larger output, increased employment and a rising flow of income to consumers accompanied by an increase in personal consumption expenditures. With some operating slack in the economy, prices during the rest of 1962 will probably rise only slightly.

COMMODITY HIGHLIGHTS

Red meat production in 1962 is expected to match the increase in population. Consumption per person will total about 161 pounds, the same as in 1961.

At the farm level, cattle prices may average slightly higher than in 1961, reflecting a stronger demand and only a small gain in marketings. Fed cattle prices into early summer will average above year-ago levels.

Hog prices are expected to average a little below last year because of increased marketings. The price shortfall from 1961 levels will likely narrow through 1962.

Gains are in view for sheep and lamb prices this year because of a prospective sizable cutback in slaughter.

Prices received by farmers for all milk at wholesale will be lower this year than in 1961, but not by the full drop in the support prices for manufacturing milk and butterfat. Milk production is expected to exceed last year's record 125.5 billion pounds, by possibly 2 billion pounds.

Spring egg prices are expected to be below 1961 levels due mainly to larger output. But some likely reduction in replacement hatch will strengthen seasonally rising prices next fall. Average prices this year may be somewhat under the 35.3 cents per dozen received by farmers in 1961.

Broiler outlook indicates some improvement from last year's record price low. Although first quarter 1962 prices averaged about one-half cent below a year ago, and prices at major producing areas have fallen further, the disastrously low prices of last summer are not expected to be repeated this summer.

Turkey situation points to sharp price improvement this fall from last year's extremely depressed prices. Large storage stocks are being worked down rapidly and hatching activity indicates substantial reduction in the 1962 crop.

Feed grain production in 1962-63 may be around the 1961-62 total, judging from March planting intentions and participation in the Feed Program. With the expected reduction in carryover into the 1962-63 feeding year, the feed concentrate supply would total a little below the 256 million tons for 1961-62.

The total 1962 wheat crop, as of April 1, is indicated at around 120 million bushels less than last year's crop and the smallest since 1957. The final size of the wheat crop will be influenced by producers' participation in the 1962 Wheat Program.

Soybean prices to farmers for the remainder of the 1961-62 marketing year are expected to average slightly above the 1961 support rate of \$2.30 per bushel, sharply below prices a year earlier. Prices in the fall for 1962-crop beans likely will be close to the 1962 support rate of \$2.25 per bushel.

Improved potato prices are likely by late spring. Intentions reports indicate 7 percent less acreage for early summer harvest, and 5 percent less for late summer and fall.

Cotton carryover on August 1, 1962 may be about 500 thousand bales larger than a year ago, largely due to a decline in exports from 6.6 million bales during the 1960-61 season to about 5.0 million bales estimated for this year.

Prospective tobacco acreage for 1962 is about 4 percent higher than last year and the overall level of price supports was raised 1 percent. Demand for tobacco is expected to continue strong.

GENERAL AGRICULTURAL SITUATION

AGRICULTURAL OUTLOOK, 1962

Net farm income in 1962 will probably total about the same as the improved level reached in 1961. Last year's realized net income of farm operators was \$12.7 billion, \$1 billion more than in 1960, and the highest since 1953. With a continuation of the downtrend in the number of farms, per farm net income in 1962 would exceed the \$3,323 realized last year.

Gross farm income in 1962 will likely rise some from the \$39.6 billion realized by farmers in 1961, reflecting a small gain in cash receipts from marketings of farm products and some further rise in government payments. A further rise in farm production expenses, however, will likely offset the prospective gain in gross income. For the first three months of this year, total cash receipts equaled those in the same period of 1961 and prices paid by farmers for production items, interest, taxes and wage rates averaged 1 percent higher.

1962 Price Outlook Indicates
Little Change

Prices received by farmers are expected to average about the same this year as in 1961 with livestock product prices slightly lower and crop prices higher. If the expected price outlook for 1962 materializes, it would make the fourth successive year that the index of prices received by farmers averaged about 240 (1910-14=100). In the first quarter of this year, prices averaged the same as in the corresponding quarter a year earlier, with livestock product prices down about 2 percent and crop prices 3 percent higher.

Within the livestock product group, prices for hogs, eggs, and milk are expected to be somewhat lower than in 1961; cattle and broiler prices may be about the same; and sheep and lamb and turkey prices are likely to be higher.

For the first quarter of this year, hog prices averaged 5 percent lower than a year earlier, mainly due to a 4 percent increase in slaughter. Farrowing reports, however, indicate that for the remaining months of 1962 the gain in slaughter over year-earlier levels probably will narrow and prices will likely fall only a little from the 1961 average price received by farmers of \$16.60 per hundredweight. Milk prices are pointed down from 1961 and first quarter 1962 levels because of the reduction in the support price of manufacturing milk from \$3.40 to \$3.11 per hundredweight, effective April 1. Egg prices recovered to about year-earlier levels in mid-April, after having been below a year ago since last August. This price strength is not likely to be sustained because of a larger output. Through summer, prices are expected to be mostly lower than a year earlier.

Beef cattle prices in the first quarter of this year fractionally exceeded the average in the first three months of 1961, despite a 4 percent larger slaughter. The bulge over a year ago, however, was concentrated in the early part of the quarter. For the entire year, prices are expected to average close to the \$20.20 per hundredweight received by farmers in 1961. Broiler prices are expected to average only moderately higher this year than last as production will likely total close to the 1961 levels.

Table 1.- Agricultural prices, marketings and income, 1960 to date

Item	Unit	1960				1961				1962			
		Year	Year	Year	Year	I	II	III	IV	I	II	III	IV
Prices received by farmers													
Crops	1910-14=100	238	240	243	236	240	239	243	243	243	239	240	243
Livestock	1910-14=100	221	226	221	229	224	224	230	224	228	224	230	228
	1910-14=100	253	251	261	243	252	252	248	252	256	252	248	256
Prices paid, interest, taxes and wage rates													
Family living items	1910-14=100	299	301	302	301	301	301	301	301	305	301	301	305
Production items	1910-14=100	290	291	291	290	290	291	290	291	294	290	290	294
	1910-14=100	265	266	267	266	265	266	265	266	268	265	265	268
Parity ratio		80	80	80	78	80	79	80	79	80	79	80	80
Volume of farm marketings													
Crops	1947-49=100	133	135	116	107	141	173	141	173	116	107	141	116
Livestock	1947-49=100	130	129	100	65	144	205	144	205	97	65	144	97
	1947-49=100	134	139	128	139	139	149	139	149	129	139	139	129
Cash receipts from farm marketings ^{1/}													
Crops	Bil. dol.	34.0	34.8	7.6	6.8	9.1	11.3	9.1	11.3	7.5	6.8	9.1	7.5
Livestock	Bil. dol.	15.1	15.5	2.9	2.1	4.4	6.1	4.4	6.1	2.8	2.1	4.4	2.8
	Bil. dol.	18.9	19.2	4.7	4.7	4.7	5.1	4.7	5.1	4.7	4.7	4.7	4.7
Farmers' realized net income ^{2/}	Bil. dol.	11.7	12.7	12.6	12.5	12.4	13.4	12.4	13.4	12.8	12.5	12.4	12.8

^{1/} Seasonally adjusted annual rates are: 1960-\$34.0 billion, 1961-\$34.8 billion, \$35.3 billion (I), \$34.0 billion (II), \$34.4 billion (III), \$35.5 billion (IV), and 1962-\$35.2 billion (I).

^{2/} Seasonally adjusted annual rates.

Gains are in view for sheep and lamb prices in 1962 compared with last year because of a prospective sizable cutback in slaughter. January 1 sheep and lamb numbers were down from a year ago and liquidation of old crop lambs during the first quarter of this year was heavy. An expected sharp cutback in turkey slaughter relative to a year ago is expected to boost prices from the relatively depressed 18.9 cents per pound average received by farmers in 1961.

Crop prices, with the exception of oil-bearing crops and fruit, are expected to average higher this year than last reflecting either unchanged or higher support prices and improved supply conditions for several crops.

Wheat prices received by farmers averaged \$1.88 per bushel in the first three months of this year, $4\frac{1}{2}$ percent more than a year ago. With the support price on 1962 wheat raised to \$2.00 from \$1.79 per bushel, and a smaller crop in prospect, 1962 prices will average substantially higher than in 1961. Prices received by farmers for corn during January-March averaged somewhat more than 3 percent below the same period in 1961, but with the support prices for 1962-crop corn unchanged, prices for the year may average about the same as in 1961.

Soybean prices in 1962 may average somewhat lower than a year earlier since the support rate for 1962-crop beans has been set at \$2.25 per bushel, 5 cents less than 1961. With a record crop in prospect, prices will likely reflect the lower support. The support price for 1962-crop cotton is the same as last year. Tobacco price supports have been raised 1 percent from last season.

Marketings Not Greatly Different from 1961

Current indications point to a volume of marketings about the same as last year's record. Although marketings of crops may be smaller than in 1961, an increase in marketings of livestock products will be about offsetting.

According to farmers' intentions, as of March 1, about $1\frac{1}{2}$ percent less acres may be planted for 1962 harvest, the smallest planted acreage since 1929, when records began. Some offsetting effect from higher yield is expected, however, if growing conditions are average.

If planting intentions are carried out, feed grain acreage would be fractionally smaller than last year. Declines in intended plantings of oats and barley would offset a 3 percent rise in corn plantings and a 2 percent increase in sorghum acreage. Total food grain acreage is indicated to be 9 percent below the 1961 total, with spring wheat acreage down 14 percent. The final acreage totals for feed and food grains may be altered by producers' decisions to participate in the 1962 Feed Grain and Wheat Programs. Growers' planting intentions were reported during the sign-up period for these programs. Farmers had signed up to divert 14.7 million acres of wheat through April 5 and 28.9 million acres of corn and sorghums through April 12.

Table 2.--Comparison of average prices received by farmers with parity prices and support prices, selected commodities, 1961 and 1962

Commodity	Unit	Seasonal average price		Support price		March 15, 1962	
		price		year		Average price received:	
		1960-61	1961-62 1/	1961 crop year	1962 crop year	price	price
Food Grains:							
Wheat	:Dol. per bu.	1.75	1.84	1.79	2.00	1.90	2.43
Rice (rough)	:Dol. per cwt.	4.55	4.97	4.71	4.71	5.70	6.22
Feed Grains:							
Corn	:Dol. per bu.	.996	1.07	1.20	1.20	.968	1.60
Oats	:Dol. per bu.	.601	.640	.62	.62	.652	.842
Barley	:Dol. per bu.	.838	.973	.93	.93	1.03	1.26
Rye	:Dol. per bu.	.876	1.02	1.02	1.02	.995	1.45
Grain sorghums	:Dol. per cwt.	1.49	1.71	1.93	1.93	1.67	2.51
Oilseeds:							
Cottonseed	:Dol. per ton	42.50	51.20	49.00	48.00	50.90	62.80
Soybeans	:Dol. per bu.	2.13	2.29	2.30	2.25	2.34	2.95
Peanuts	:Ct. per lb.	10.0	10.9	11.05	11.05	11.4	13.5
Flaxseed	:Dol. per bu.	2.65	3.24	2.80	2.90	3.21	3.84
Butterfat	:Dol. per lb.	.596	2/	.604	.572	.602	.762
Cotton:							
American upland	:Ct. per lb.	30.19	3/33.4	31.88	31.88	29.35	39.22
Tobacco:							
Flue-cured	:Ct. per lb.	60.4	64.2	55.5	56.1	4/	68.9
Burley	:Ct. per lb.	64.3	66.6	57.2	57.8	4/	73.2
Dry edible beans	:Dol. per cwt.	6.94	2/	6.32	6.32	6.39	9.30
Wool (grease basis)	:Ct. per lb.	5/42.0	5/6/41.9	62.0	62.0	5/42.7	73.5
1/ As estimated in Crop Values, December 1961. 2/ Not available. 3/ Price to December 1, 1961.							
4/ Auction markets closed. 5/ Excludes incentive payment. 6/ Average prices for wool sold April 1961 through January 1962.							

1/ As estimated in Crop Values, December 1961. 2/ Not available. 3/ Price to December 1, 1961.
 4/ Auction markets closed. 5/ Excludes incentive payment. 6/ Average prices for wool sold April 1961 through January 1962.

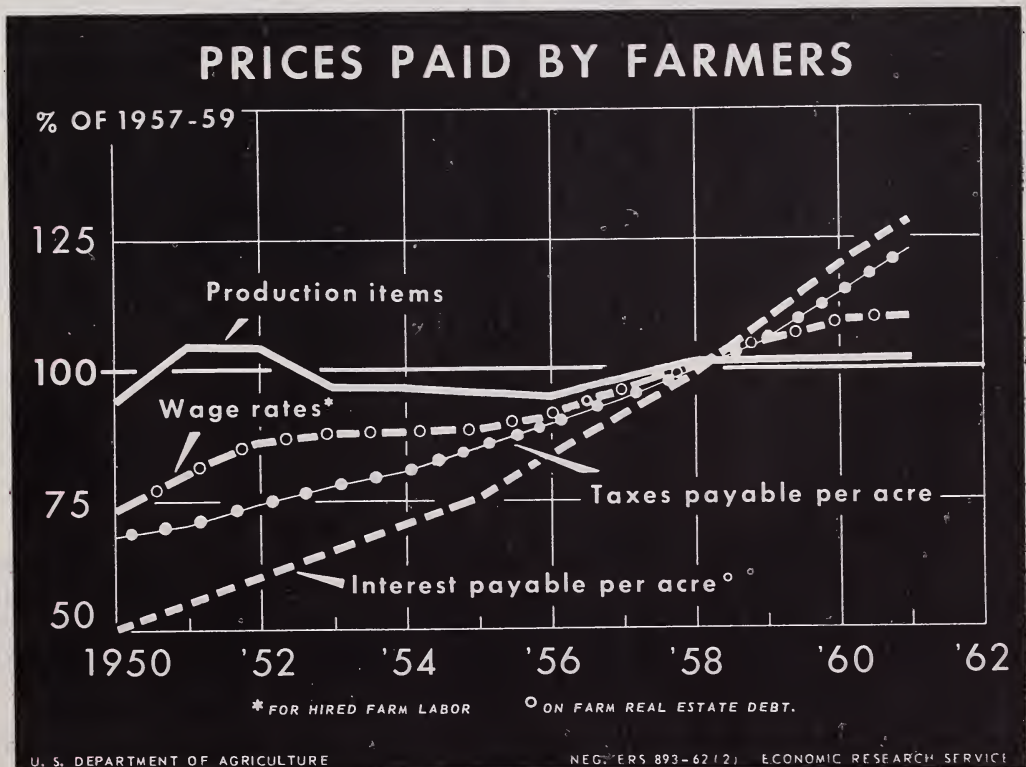
The intentions report also pointed toward increased acreage planted to oilseeds, tobacco, sugar beets, dry beans and sweetpotatoes. The intended expansion in soybean acreage, 2 percent above last year's high, would result in a new record acreage total. Acreage planted to potatoes and dry peas is expected to be less than in 1961.

Marketings of hogs in 1962 are expected to exceed the year-ago total, but by a somewhat smaller amount than indicated by the estimated first quarter gain this year of 3 percent. Larger marketings during the year are also foreseen for milk. Eggs may show little change. First quarter marketing gains from a year ago for milk and eggs were 2 and 1 percent, respectively. Marketings of cattle and calves are pointed up, since the number on feed at the beginning of 1962 was up 3 percent from a year earlier and the total number on farms was 2 percent larger.

Somewhat offsetting, marketings of sheep and lambs will be down substantially. The inventory of these animals January 1 was down 5 percent and prospects are for a smaller lamb crop. Turkey marketings also will be smaller this year than last. In early January, farmers indicated plans to raise 12 percent fewer turkeys and the number of turkey breeder hens was down by a like percentage.

Further Increase in Expenses

Somewhat larger farm production expenses this year will offset part of the indicated increase in farmers' gross receipts. For the first three months



of this year, prices paid by farmers for production items, interest, taxes and wage rates averaged 1 percent higher than a year earlier and will likely continue higher. Farm wage rates on April 1 averaged 3 percent more than a year earlier. Expenditures for feed and livestock may exceed outlays last year because of the probable rise in livestock output. Charges for taxes and interest also will increase. With prospects for some rise in prices of products of nonfarm origin, many miscellaneous production-expense items are expected to be higher in 1961.

Agricultural Exports Near Year-Ago Totals

For the 1961-62 fiscal year, agricultural exports are expected to be close to \$5 billion, exceeding last year's record \$4.9 billion.

The outlook by major export commodities is as follows:

Cotton: Exports during July-December 1961 were about 20 percent below a year earlier, indicating a 1961-62 total of around 5 million bales compared to 7 million in the year ending June 30, 1961. Lower mill activity and a working down of raw cotton stocks abroad are main factors. Even with some pickup in the latter half of the year, the total for all of 1962 is likely to remain substantially below the 1961 calendar year total of 6.4 million bales.

Tobacco: Exports in July-December 1961 were about equal to a year ago, and are likely to continue strong during 1962. This indicates a 1961-62 total somewhat above the 504 million pounds exported in the fiscal year 1960-61. Main factors in the strong export outlook for 1962 are the disease-reduced crop in Europe and a U. S. export subsidy on 1956 and older-crop tobacco.

Wheat: Exports during July-December 1961 were 23 percent higher than a year earlier. Total estimate for 1961-62 is 685 million bushels--an all-time record. More wheat is being shipped under P. L. 480 to such countries as Brazil, Chile, Yugoslavia, Spain, Turkey, Morocco, Tunisia, and Algeria; and more is being sold for dollars in the European market, reflecting lower production there in the past season. Exports in calendar year 1962 are likely to be smaller than in 1961 with prospects for a better crop in Europe this year.

Rice: Exports in July-December 1961 were 30 percent (3 million cwt.) short of a year earlier. A sharp pick-up in exports during January-June is likely to bring the 1961-62 total close to last year's 21 million cwt. A possible rise in foreign donations or in foreign currency sales could raise totals for both the fiscal and calendar years.

Corn: Exports in July-December 1961 were 34 million bushels above the corresponding period in 1960. Similar improvement is expected to continue this year with calendar 1962 exports totaling 340 million bushels, about 30 million larger than 1961. This increase, attributed to relatively low corn prices, will more than offset estimated declines in sorghums and barley exports.

Fats and Oils: Exports of oilseeds and vegetable oils during July-December 1961 were 25 percent below the second half of 1960 (on an oil-equivalent

basis) due to higher prices and possibly deferred buying. Fiscal year exports of vegetable oils may be below last year. Soybean exports are currently estimated at 153 million bushels, 10 million above last year. Prospects remain for record export demand for oilseeds and oils during calendar 1962. Tallow exports are also expected to be above the 1960-61 level but lard exports will be smaller.

Hides and Skins: Despite firm foreign demand, exports are running 10-15 percent below previous year due to higher prices. The estimated total for 1961-62 is about 12 million pieces, compared with 13.1 in 1960-61. Larger U. S. production presages lower prices later in 1962 and exports for all of 1962 will likely be close to last year's 12.6 million.

Fruits and Vegetables: A high rate of exports during July-December 1961 for dried fruit, fresh citrus and especially fresh apples suggests that exports of fruits and preparations in 1961-62 will be up substantially from the previous year. The trend may not continue into the second half of 1962. Vegetable exports on the whole are likely to be below last fiscal year. A sharp decline in exports of dry beans reflects a record Mexican crop and slow European demand.

FACTORS AFFECTING DEMAND
FOR FARM PRODUCTS

GENERAL ECONOMIC OUTLOOK, 1962

Economic activity in the first quarter of this year reached a level 10 percent higher than in the same period of 1961, which marked the end of the 1960-61 recession. The nation's output of goods and services was at an annual rate of \$549 billion in the first quarter of 1962 and a reappraisal of prospects for the year points to a continued rise in business activity. As the economic advance continues, however, the rate of gain from year-earlier levels is likely to slow. Prospective increases in Federal, State, and local government purchases of goods and services, a continued expansion in business investment in fixed capital and some further increase in consumer buying are factors pointing to a continued rise in business activity in coming months. Further inventory accumulation is in prospect this year, but not at the relatively high rate of early 1962. Prospective expansion in economic activity during 1962 means a continued rise in consumer buying power and an expanding domestic market for food and other farm products.

Government Expenditures to Continue Advance

Government purchases of goods and services during the rest of this year are scheduled to continue their upward trend and for 1962 as a whole absorb about one-fifth of national output. Final demand of the Government sector has accounted for about 20 percent of the gross national product during the last decade, with State and local government demand increasing from 37 percent of total Government expenditures after the Korean War period to 47 percent in 1961.

Federal outlays for goods and services will continue to rise from the rate reached in the first quarter of this year. Based on the proposed Federal budget for fiscal year 1963 and the current rate of Federal outlays, goods and services purchased by the Federal sector during the remainder of 1962 may rise about 5 percent from the \$61 billion annual rate recorded during January-March. The major share of the increase in outlays will be for national security and space outlays.

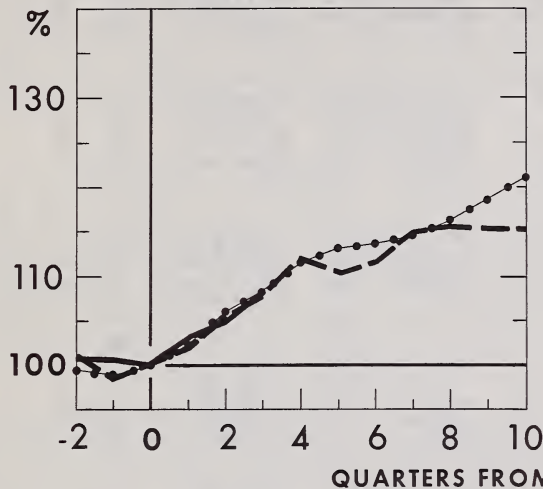
Expenditures by State and local governments for goods and services are likely to increase at about the same rate as in recent years with larger outlays for employee compensation, construction, and supply and equipment expenditures. During 1961, State and local government expenditures rose about \$4 $\frac{1}{2}$ billion over 1960 with employee compensation up about \$2 $\frac{1}{4}$ billion.

Private Investment Rise May Slow

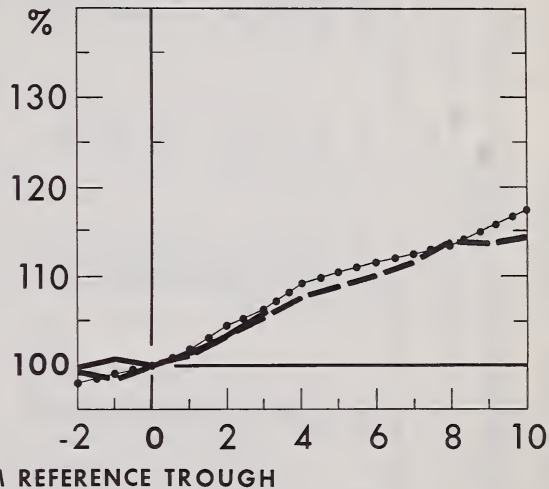
Investment by the private sector of the economy rose rapidly from the 1960-61 recession low to the first quarter of 1962 as business inventories were rebuilt after the recession cutback and total expenditures for fixed investment exceeded its prerecession level. Business fixed capital outlays are scheduled to rise further in 1962 but the impact of the inventory build-up in 1961 is over and residential construction outlays are not expected to match the rise of 10

PRESENT ECONOMIC RECOVERY IN LINE WITH PREVIOUS MOVEMENTS

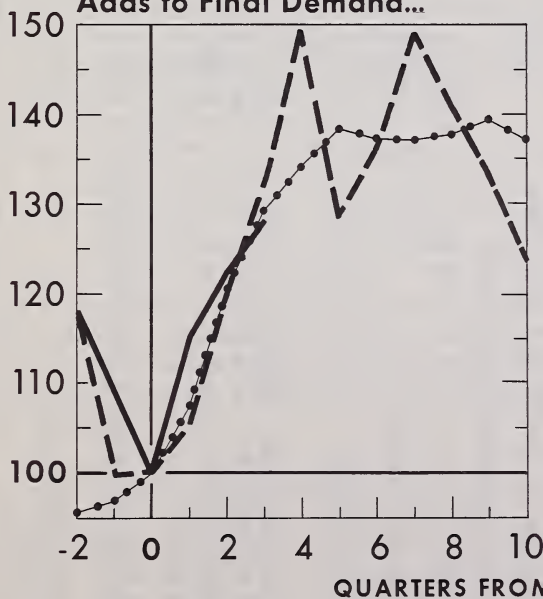
**GNP Up 10 Percent
From Recession Low...**



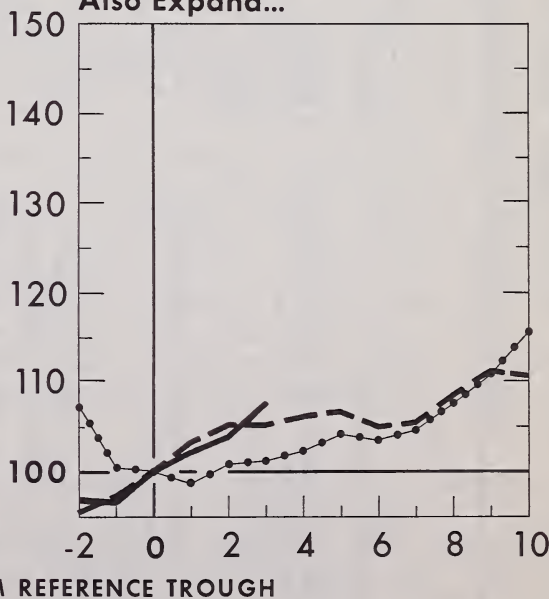
**Personal Consumption
Expenditures 6 Percent More
Than Jan.-Mar. 1961...**



**Private Business Investment
Adds to Final Demand...**



**And Government Purchases
Also Expand...**



SOURCE: U. S. DEPARTMENT OF COMMERCE.

REFERENCE TROUGH DATES: III-1954 (•-•-•); II-1958 (---); I-1961 (—).

Table 3.--Gross national product, disposable personal income, and consumer prices, selected periods, 1960-62

(Billion dollars, seasonally adjusted annual rates, except as noted)

Item	1960	1961	1961				1962 I
			I	II	III	IV	preliminary
Gross national product	504.4	521.3	500.8	516.1	525.8	542.2	549.0
Personal consumption expenditures ..	328.9	339.0	330.7	336.1	341.0	348.4	352.0
Durable goods	44.3	42.2	39.4	42.0	42.3	45.5	44.6
Nondurable goods	152.4	155.5	153.7	154.1	156.2	158.1	160.2
Services	132.2	141.2	137.5	139.9	142.4	144.9	147.2
Gross private domestic investment ..	72.4	69.6	59.8	68.8	73.2	76.6	77.5
New construction	40.7	41.7	39.6	41.3	42.7	43.3	41.8
Residential	21.1	21.2	19.3	20.6	22.1	23.0	21.3
Other	19.6	20.5	20.4	20.7	20.6	20.3	20.5
Producers' durable equipment	27.5	25.7	24.2	24.7	26.0	28.0	28.2
Change in business inventories ..	4.2	2.2	-4.0	2.8	4.5	5.3	7.5
Net exports of goods and services ..	3.0	4.0	5.3	3.9	2.6	4.0	4.0
Government purchases, goods and services	100.1	108.7	105.0	107.3	109.0	113.2	115.5
Federal	52.9	57.3	54.7	56.6	57.4	60.0	61.2
National defense	45.5	49.2	47.2	48.8	49.0	51.7	52.9
Other	8.0	8.6	8.0	8.3	8.9	9.0	9.1
State and local	47.2	51.4	50.3	50.6	51.6	53.2	54.3
Disposable personal income	351.8	364.9	354.3	361.8	367.7	375.6	378.2
Per capita (Dol.)	1,947	1,987	1,940	1,974	1,998	2,032	n.a.
Per capita, (1961 prices)	1,969	1,987	1,946	1,978	1,996	2,024	n.a.
Savings rate	6.5	7.1	6.7	7.1	7.3	7.2	6.9
Consumer price index (1957-59=100) ..	103.1	104.2	103.9	103.9	104.4	104.6	n.a.
Population (Millions)	180.7	183.6	182.6	183.3	184.1	184.9	185.5

Department of Commerce and Council of Economic Advisors.

percent from the first quarter of 1961 to January-March this year.

The major element in the investment outlook is the expected continued increase in producers' expenditures for durable equipment. Investment outlays for durable equipment at the peak of the 1958-60 expansion were \$28.6 billion, only 1 percent below the record level in 1957. As economic activity receded from the expansion peak in the second quarter of 1962, investment in durable equipment declined 15 percent to the recession trough and then turned up. The \$28.2 billion rate of investment in the first quarter of this year was almost 17 percent greater than in the same period of 1961 and matched the rate of expansion in the recovery periods following the third quarter 1954 and second quarter 1958 business cycle troughs.

During the remaining months of 1962, business outlays for durable equipment are likely to continue rising. Although the rise may appear moderate in view of the increase in economic activity, many major industries are operating below capacity and the impact of the inventory build-up is over. Outlays for industrial, commercial, and public utilities construction also are likely to increase moderately in 1962 from a year ago, thereby bolstering private investment and adding to the nation's total output.

The continued upward movement in fixed investment during 1962 is based on reported business plans in January-February to spend a record \$37.2 billion for new plant and equipment this year, 8 percent more than in 1961. The indicated rate of rise during 1962 would be somewhat less than the rate of increase in capital expenditures during the same period in previous postwar business expansions. The prospective increase in fixed investment, in part, reflects the rise in corporate profits during 1961. After deducting tax payments, corporate profits in the last quarter of 1961 were a third higher than in the first quarter of the year. The higher level of profits coupled with an increased flow of capital consumption allowances will provide a substantial cash flow to help finance the planned investment rise. In addition, investment plans reflect an expected higher level of business activity in 1962 than in 1961. For the first half of 1962, manufacturers reported in a February survey that they anticipate sales to increase about 1 percent per quarter from the fourth quarter 1961 level. During the last six months of 1961 manufacturers' sales increased at a quarterly rate of $2\frac{1}{2}$ percent. The February survey also disclosed that manufacturers planned a further inventory accumulation during the first half of 1962 of \$2 billion, after allowance for seasonal factors, with a larger rate of accumulation expected in the first quarter than in the second quarter. Additions to manufacturers' stocks in the final six months of 1961 amounted to about \$1.8 billion.

Somewhat offsetting the expected increases in investment in durable equipment and business inventories is the outlook for fixed investment in new construction. Private outlays for new construction reached a peak annual rate of \$41.2 billion in the second quarter of 1959 and have remained near that level through 1960 with the recession low in the first quarter of 1961 within 3 percent of the construction investment peak. As the economic recovery gathered momentum, investment in new construction rose at a 9 percent annual rate from the first to last quarter of 1961, largely due to a pickup in housing starts.

Private residential housing starts in the fourth quarter of 1961 were at a seasonally adjusted annual rate of 1.4 million units, almost 14 percent more than the rate during the first quarter of the year. But housing starts declined steadily from the 1961 peak annual rate of 1.4 million units last October to a rate of 1.1 million units in February and then jumped in March to a 1.4 million unit annual rate. The late winter decline may have been due partly to excessively bad weather, since most of the favorable factors spurring the recovery in building during 1961 continued into 1962. With somewhat lower mortgage interest rates, the growing effect of urban renewal programs, and liberalized provisions for FHA loans, some pickup in residential housing is expected from the relatively low first quarter rate this year even though vacancy rates are at a postwar high.

Consumer Incomes and Spending to Increase

The expected increase in government demand and private investment during the rest of 1962 will result in a rising flow of income to consumers with an accompanying increase in personal consumption expenditures. From the 1960-61 recession low in the first quarter of last year to the first quarter of 1962, disposable personal income and personal consumption expenditures both increased about 7 percent. These expenditures account for 93 to 94 percent of consumer incomes after taxes, with variation mainly due to the volatility of purchases of durable goods; purchases of nondurables are much more stable; and outlays for services have trended steadily upward over time.

Durable goods purchases rose by 13 percent from the first quarter of 1961 to the same period in 1962 as auto sales and purchases of furniture and household appliances rose sharply from their lows at the start of last year. Although purchases declined 2 percent during the first quarter of 1962, the outlook for durable purchases is favorable because of the strong sales position of the 1962-model cars introduced last fall, and the rise in residential construction through late 1961 and the upturn in March. Reports of auto sales for late March and early April point to a good pick-up in spring auto sales. Purchases of nondurable goods and services are expected to continue increasing as consumer incomes rise.

Prices Likely to be Relatively Steady

The general improvement in economic activity since early last year had been achieved without any undue pressure on the overall structure of prices. The 10 percent increase in the gross national product from the first quarter of 1961 to the same period this year was accompanied by a rise of only 1 percent in the general level of prices as measured by the Department of Commerce's implicit GNP price deflator. With some operating slack in the economy likely to continue this year, the general level of prices during the rest of 1962 will probably rise only slightly.

The small price advance during the current expansion cycle is less than during the same phase after the 1954 and 1958 business troughs. The price experience since the 1961 trough largely reflects an easing in prices for non-durable goods, principally food. The index of urban retail prices of food declined nearly 1 percent between the first and fourth quarters of 1961, compared with increases of more than 1 percent in retail prices of services and commodities other than food. Food prices have advanced somewhat since the end of 1961, and prices for services have continued to trend upward.

Employment Gains to Hold

The steady gain in economic activity from the 1960-61 recession low last February has increased employment, although at a slower rate than for earlier postwar periods of economic recovery and expansion. The 1960-61 recession, however, was the shortest and mildest of the postwar period and employment declined less than in the earlier recessions. The number of workers employed in March was 67.9 million on a seasonally adjusted basis, an increase of some 1.2 million workers since February 1961. The principal advance was in durable goods manufacturing, reflecting the recovery in steel and auto output.

The rise in employment over the year coupled with a stable civilian labor force led to a substantial improvement in the unemployment rate. With prospects for further expansion in economic activity during the remaining months of 1962, employment will rise further. The seasonally adjusted rate of unemployment was 5.5 percent in March, the lowest rate since July 1960. Unemployment held close to 6.2 percent of the civilian labor force in the first 10 months of 1961 as changes in employment were offset by changes in the size of the labor force. Since October, gains in employment have exceeded increases in the labor force, and substantially reduced unemployment.

Money and Credit Outlook Stable

The prospective increases in investment in business inventories coupled with industry plans to step-up spending for new plant and equipment during 1962 suggest no slackening in demand for investment funds from the private investment sector of the economy. In addition, demand for consumer credit has risen in recent months and the Treasury in 1962 is faced with a record volume of maturing securities.

The expansion in business activity with its increased rate of borrowing from the early 1961 low was accompanied with some tightening in money market rates, particularly for short-term funds in the latter part of 1961. The rates on 3-month Treasury bills and 4-6 month prime commercial paper which were at their 1961 lows in July, increased 21 percent to January as Treasury debt management concentrated in short-term borrowing. During the first quarter of 1962 rates fluctuated around the January level. Longer-term rates rose only 4 percent from their 1961 low in March to this March, mainly reflecting the Federal Reserve's new policy of providing bank reserves through purchasing longer maturity Government securities. Although money market rates are sub-

stantially above mid-1961 levels, their advance in recent months has been small. During 1961 Federal Reserve open market operations offset the gold outflow of almost \$900 million and maintained the money supply.

Balance of Payments Deficit to Continue

During 1961, the United States balance of payments deficit was near \$2.5 billion, a sharp reduction from the average of \$3.7 billion for the three previous years and \$3.9 billion in 1960. The improvement in the payments position of the United States during 1961 resulted in part from a \$1.2 billion rise in our balance on goods and services reflecting larger exports and some decline in imports. However, over half of the \$1.2 billion increase was financed by U. S. Government grants and credits and thus did not contribute to the balance of payments improvement. Most of the remainder reflected higher U. S. investment income. More important were unusually large foreign repayments of U. S. Government loans which together with larger foreign investment in the United States more than offset a rise in government foreign assistance. Military expenditures abroad were fractionally lower.

Despite reduced rate of expansion in industrial activity abroad and some moderate rise in U. S. imports, the surplus on our goods and service balance is not likely to change greatly. Continuation of our military and foreign commitments abroad point to another overall balance of payments deficit in 1961-62.

CURRENT COMMODITY SITUATION

LIVESTOCK AND LIVESTOCK PRODUCTS

Meat Animals

Red meat production in 1962 is expected to increase over last year by about the same rate as population growth. Per capita consumption of all meats likely will be a fraction of a pound less than the 161.2 pounds of 1961. A stronger demand for meat is in prospect this year, spurred by increased employment and income. Prices for cattle, sheep and lambs will average slightly above 1961, but hogs are expected to average slightly below last year.

Cattle slaughter decreased from January through March but at the same time averaged about 4 percent above the first quarter of a year ago. Cattle prices strengthened in response to the decrease in slaughter and the average price at the farm for all cattle in mid-March was reported at \$21.20 per hundredweight--90 percent of parity and the highest average farm price since May 1960.

Market supplies of fed cattle through late spring and early summer will be somewhat below the corresponding period last year. The number of cattle

and calves on feed in 26 States the first of April totaled 7.2 million head--1 percent above last year. However, this year a smaller proportion of the April 1 inventory will be finished for slaughter during the second quarter than a year earlier. Average dressed weight likely will be down also.

Increased marketings of fed cattle are expected during the late summer and fall. This is also the season in which the slaughter of grass cattle normally increases. The increased level of beef production during this period is expected to result in price weakness during the fall. The price low for the year is expected in October and November. However, prices for Choice slaughter steers are not expected to go as low as in July 1961 when they averaged \$22.38 at Chicago.

Hog slaughter in the first quarter of 1962 totaled nearly 4 percent larger than a year earlier. Prices have declined slowly, and currently are below those of a year ago and near last fall's seasonal low. By mid-April the average price of barrows and gilts at 8 Midwest markets was near \$16.00 per 100 pounds, about a dollar below last April.

In late May, hog slaughter will start decreasing to a mid-summer low. During this time, slaughter supplies will be mainly pigs from the 4 percent larger fall crop and from sows. At their peak, farm prices for hogs will probably be close to the peak reached last summer, which was \$17.50 per 100 pounds.

Hog prices this fall will average nearly as high as last fall if the gain in spring farrowings turns out less than the 3 percent indicated last December. USDA's 10-State report in March showed that producers were not expanding production as much as was indicated last fall. For the year as a whole, prices will likely fall a little short of 1961 prices.

Large slaughter of old crop lambs during the first quarter of the year prevented a seasonal price recovery in lambs. This occurred even though January 1 inventory of lambs on feed was 6 percent under a year ago, and stock sheep numbers were reduced by 1.3 million head from January 1, 1961.

Reduced federally inspected slaughter the last half of March may indicate that the run of old crop lambs is about completed. If so, then strength in spring lamb prices would result. The early lamb crop is as large as last year, but with fewer old crop lambs included in slaughter, weekly lamb and mutton production in the second quarter of 1962 likely will be considerably under the second quarter of 1961, when lamb production reached one of the highest levels since 1948.

This year's lamb crop will be about 4 percent smaller than last year, with all the reduction occurring in the late lamb crop. The seasonal increase in lamb slaughter during the late summer and fall period will depend

to a great extent on summer grazing conditions in the West. Even with good grazing conditions, the seasonal rise in slaughter this fall probably will be less than last year, with prices showing less of a tendency to drop during this time.

Dairy Products

On April 1, price supports for manufacturing milk were lowered to \$3.11 from \$3.40 per hundredweight and those for butterfat to 57.2 cents from 60.4 cents per pound. The previous support level had been in effect since March 19, 1961. As a result of this action, CCC purchase prices for butter were dropped 2.5 cents per pound to 58.75 cents at New York; 58 cents at San Francisco and Seattle; and 57.966 cents at Chicago. The purchase price for American cheese dropped from 36.5 to 34.6 cents and nonfat dry milk from 16.4 cents to 14.4 cents.

CCC purchases of butter, cheese, and nonfat dry milk during the 1961-62 marketing year ending March 31 reached a record 11.1 billion pounds of milk equivalent, comprising 8.8 percent of production. As a result, acquisition costs for the dairy support program rose from \$260 million in 1960-61 to an estimated \$562 million. Purchases of butter were 435 million pounds; cheese, 194 million pounds; and nonfat dry milk deliveries, 1.284 million pounds.

Milk production in the first quarter of 1962 was about 2 percent above a year earlier. If the increase continues at this rate, total output for 1962 could reach about 128 billion pounds, $2\frac{1}{2}$ billion pounds more than 1961. However, the drop in support levels, by discouraging farmers from continuing the present record rate of grain feeding may slow down the increase in milk production per cow. Cow slaughter, expected to increase over 1961, particularly in the last half of 1962, may be another dampening factor. These factors are likely to hold milk production below the 128 billion rate, but it still may exceed 1961 output by 2 billion pounds.

In spite of increased milk production, cash receipts of dairy farmers will be lower in 1962 than in 1961. Farmers' prices for milk in the last 9 months will be under those of a year earlier because of lower price supports. The drop in prices will vary considerably among States, depending on the proportion of marketings used for fluid purposes and the way the level of Class I prices is determined.

Consumers' prices for dairy products are expected to average about 1 percent lower than a year earlier. Butter prices probably will reflect most of the $2\frac{1}{2}$ cent drop in support level. Smaller changes are expected to occur in prices of other products. Retail prices of fluid milk will change little. Rising costs in fluid milk distribution are likely to offset the decline in farm prices.

USDA will distribute larger quantities of dairy products for school lunch and other domestic programs than in 1961. More cheese, particularly,

will be distributed than the relatively small amounts in 1961. With large beginning CCC stocks of dairy products in 1962-63 and prospective heavy-purchases by CCC, even with increased domestic distribution, CCC will have available for export more dairy products in the current marketing year than a year earlier.

New Zealand recently announced that it will restrict its exports of Colby cheese to the United States. Total cheese imports in fiscal 1963 may not differ greatly from the current fiscal year.

Poultry and Eggs

Egg production has been rising seasonally since last September and in early April was at or near its peak. The rate of egg output on April 1 was nearly 1 percent greater than a year ago. Declining egg prices since mid-February have encouraged the beginning of large-scale egg breaking for the preparation of frozen egg. After Easter demand from this source is expected to stabilize spring egg prices somewhat below the 1961 level.

Since mid-March egg prices have recovered to about year-earlier levels, reflecting mainly the initiation of the USDA dried egg buying program on March 22 and the demand associated with the pre-Easter period. Egg prices had been below a year earlier since August and after Easter will again be lower, at least through summer. Substantially fewer egg-type chicks were hatched in the first quarter this year than last, but over the next several months the hatch will probably be closer to the 1961 level.

In mid-April, broiler prices in Southern producing areas averaged about 14 cents per pound, about the same as on the same date in 1961. In the second quarter of last year, broiler prices broke sharply in response to rapidly rising supplies. This year, the decline in second-quarter prices will probably be less drastic because per capita supplies are likely to be about 5 percent smaller than a year ago.

Cold-storage holdings of turkeys were reduced by 71 million pounds in the first quarter of this year compared with a 34 million pound reduction in the first quarter of 1961. Federally inspected turkey slaughter during the first quarter of this year was about 14 million pounds less than a year earlier. Even though turkey prices probably will continue to rise and move above the 1961 level, movement out of storage will likely exceed the year-earlier rate in the second quarter. The reason for this expectation is the sharp cut-back in prospect for turkey slaughter relative to a year ago.

On April 5, the Secretary of Agriculture called for a referendum of turkey growers, on June 18 through June 22, on the proposed national marketing order for turkeys. Two-thirds of those voting by number or by volume of production, must approve the order before it can be put into operation. The proposed order, if approved, could be placed in operation only upon the recommendation of an industry-nominated Advisory Board and the approval of the Secretary of Agriculture. For 1962, the only supply-management provision that could be used is the requirement that handlers set aside a percentage of all turkeys handled during a designated period.

Wool

World wool prices can be expected to remain relatively stable during the remainder of the 1961-62 marketing season. Although world supplies of raw wool --production plus stocks-- are less than a year earlier and consumption is expected to be at or near record levels, the increasing interfiber competition will tend to stabilize world prices at approximately current levels. Prices, especially those of the fine and medium wools, have increased significantly since mid-January. In early April, they were at the highest peak of the 1961-62 marketing season and above year-earlier levels.

The firm U. S. market demand for wool has resulted in a slowly advancing price movement. Prices are expected to increase moderately into June, level off during the summer months and decline moderately in the fall and winter. The average mid-month price received by growers has been increasing since November and has been above year-earlier levels since August 1961. The March mid-month price was 42.7 cents per pound, grease basis, compared with 42.1 cents a month earlier and 40.4 cents in March 1961. The 1962 marketing year average price will be about the same as the 42.0 cents received for the 1960 season. The incentive level for the 1962 marketing season is 62 cents per pound.

Domestic consumption of raw wool--mill consumption plus the import balance of foreign trade in wool textile products--probably will be slightly higher in 1962 than the 533 million pounds consumed in 1961. Mill use of raw apparel wool is expected to increase moderately; carpet wool mill use will be about the same; and net imports in wool products are expected to increase to year the 1960 record level.

Mill use of apparel wool in 1962 will probably total around 265-270 million pounds, scoured basis, slightly above the 263 million used in 1961. Consumption during the first half of 1962 will be significantly above the 127.5 million pounds used during the first half of 1961. Mill use will decline seasonally during the second half of 1962 and probably will be moderately below the 135 million pounds consumed during the similar period of 1961. Carpet wool mill use in 1962 will be approximately the same as the 147 million pounds used last year.

During the first 2 months of 1962, mill use of apparel wool amounted to 48.3 million pounds, scoured basis, 39 percent more than in 1961. Mill use of carpet wool during January-February 1962 totaled 25.5 million pounds, scoured basis, 8 percent more than in 1961. There were 9 weeks use during this period in 1962 compared with 8 weeks in 1961. The seasonally adjusted average weekly rate of apparel wool use in February was 5,623,000 pounds compared with 5,275,000 pounds in January and 4,420,000 pounds in February 1961. The seasonally adjusted rate of carpet use in February was 2,504,000 pounds compared with 2,351,000 pounds in January and 2,512,000 pounds in February 1961.

Imports of duitable raw wool are expected to total about 100 million pounds, clean content, in 1962 compared with 90 million in 1961. This reflects the expected moderate increase in apparel wool mill use and the slightly lower

U. S. production of wool during 1962. Imports of duty-free wool will probably be slightly lower than the 157 million pounds, clean content, imported in 1961 due to an expected reducing of carpet wool stocks and about the same mill use.

CROPS

Wheat

The 1962 winter wheat crop was estimated, as of April 1, at 921 million bushels. This estimate is 23 million bushels below the forecast made last December, 14 percent below the large 1961 crop, but 5 percent above the 10-year average. A spring wheat crop of 195 million bushels could be produced if growers carry out their March 1 planting intentions and seed 10.5 million acres and if yields per seeded acre about equal the 1957-61 average, by States, of 18.3 bushels. This would result in total wheat production for 1962 of about 1,116 million bushels--10 percent below the 1,235 million bushels produced in 1961 and the smallest crop since 1957, but slightly above the 10-year average of 1,095 million bushels.

The indicated yield per seeded acre of winter wheat, at 23.6 bushels, ranks as the fourth highest of record but is well below the record 26.9 bushel yield of 1958. This yield forecast is based on growing conditions up to April 1, and on the assumption that weather conditions from then to harvest will be near normal. In addition to the usual factors, including insects and disease, that exert significant influence on the final crop, the 1962 outturn will depend on the final decisions of growers relative to participation in the 1962 Wheat Program. Farmers had signed up to divert 14.7 million acres through April 5. They do not have to make final disposition on compliance until 30 days prior to the beginning of the normal harvest period in their area.

With an estimated carryover July 1, 1962, of 1,390 million bushels and the usual small imports added to the projected 1962 production, the total supply for 1962-63 would be about 2,515 million bushels. Domestic disappearance is estimated at about 590 million bushels and exports, 620 million. This would leave a carryover on July 1, 1963, of about 1,300 million bushels, down around 75 million bushels from a year earlier.

Cash wheat prices have been above support levels and on April 16 were near the high for the season to date. The price strength this year is due to the high level of exports, the smaller 1961 crop, and more wheat being held outside the support program in anticipation of even higher prices as a result of the 1962 program.

On April 18, prices were above support levels as follows: No. 2 Hard Red Winter, ordinary protein, at Kansas City at \$2.11, 3 cents; No. 2 Soft Red at St. Louis at \$2.14, 6 cents; No. 1 Soft White at Portland at \$2.13, 14 cents; No. 1 Dark Northern Spring, ordinary protein, at Minneapolis at \$2.32, 16 cents; and No. 2 Hard Amber Durum at Minneapolis at \$3.25, \$1.00. The high prices of hard red spring and durum reflect the short 1961 crops.

Farmers put 271 million bushels of 1962-crop wheat under loan and purchase agreements. Of this, farmers through February had repaid 81 million bushels, leaving a net of 190 million bushels still remaining under support. In addition, there was a total of 87.7 million bushels under resale or extended resale.

The estimated "free" supplies of the various classes of wheat appear to be adequate to take care of domestic requirements and exports for the remainder of the marketing year, with the exception of durum wheat.

The 1962 spring crop season got off to a slow start with cold, damp weather in early March. Field work was delayed by frequent snow or rain, which kept soils too wet for plowing and seed-bed preparation. The Northern Plains region--a drought area in 1961--has sufficient moisture to start the 1962 season but will need continued rainfall throughout the season.

Feed Grains

Total supplies of feed grains and other concentrates for 1962-63 may be around the 1961-62 level, based on early spring prospects. On March 1, farmers planned to plant about the same total acreage to feed grains as the 130 million acres planted in 1961. An increase of 3 percent was planned for corn and 2 percent for sorghums, about offsetting prospective reductions in oat and barley acreages. Some reductions in feed grain acreages from these early intentions may have resulted from unfavorable weather for planting feed grains during March and early April. Based on these early indications, feed grain production in 1962 may be around the 1961 crop of 141 million tons. The carryover into 1962-63 would likely be somewhat below the 85-million-ton carryover of last year. This would give a total supply of feed grains and other feed concentrates not much below the 256 million tons of a year earlier.

The prospective acreage of feed grains this year again reflects the influence of the Feed Grain Program. At 130 million acres, it is about 18 percent below the 1955-59 average. Through April 12, farmers had signed up to divert 22.3 million acres of corn, 6.6 million acres of sorghums, and 3.0 million acres of barley to soil conserving uses. The 28.9 million acres of corn and sorghums were a little above the sign-up of 26.4 million acres for the two grains in 1961. Farmers in 24 States had through April 16 to sign up for the 1962 programs.

The number of grain-consuming animal units has trended upward during the past 4 years and some further increase is in prospect for 1962-63. Assuming the number of grain-consuming animal units will increase to about 172 million, the total supply of feed concentrates per animal unit for 1962-63 would be a little smaller than in any of the past 3 years, but 14 percent above the 1955-59 average.

Prices of feed grains strengthened during March and early April after making much less than the usual seasonal rise from November to March. During October-March, prices received by farmers averaged 6 percent higher than in the same period of 1960-61. In March, feed grain prices averaged only 2 percent higher than a year earlier, and may not average much above the 1961 level during April-September. Price supports for the 1962 crops are the same as in 1961.

High-protein feed prices also have been stable so far during 1961-62, averaging about 8 percent higher during October-March than in the same period of 1960-61. In the last half of 1961-62, high-protein feed prices may average a little lower than in April-September of 1961, when prices rose sharply during the spring and early summer.

Oilseeds, Fats and Oils

Monthly average prices of soybeans (No. 1 yellow, Chicago) increased from \$2.39 per bushel in October 1961 to \$2.51 in March 1962, averaging \$2.46 for the entire period. Last year during these same six months prices rose sharply from \$2.12 to 2.94 per bushel. Soybean prices this spring and summer are expected to continue relatively steady, averaging around the CCC resale prices, which is 16.5 cents above the \$2.30 support rate, but sharply below last year.

Soybean crushings probably will set a new record of about 430 million bushels, approximately 7 percent above last year's grind. Exports during the marketing year are expected to total a record 170 million bushels, nearly one-third higher than in 1960-61. This would leave a carryover of around 55 million bushels on October 1, 1962, about 8 percent of the 1961 crop compared with a carryover of 6 million bushels a year earlier. Stocks of 55 million bushels would represent about one month's requirement for crush and export. A substantial part of the carryover of old crop beans will be in the hands of CCC. Commercial stocks of beans next fall probably will be small, because lower prices expected for new crop beans will discourage holdings more than a minimum. The support rate for 1962 crop beans will be \$2.25 per bushel, 5 cents less than 1961, and prices next fall will likely reflect the lower support.

Exports of food fats (including the oil equivalent of soybeans) during October-February 1961-62 totaled 1.7 billion pounds, 4 percent above the year before. Most of the increase was in soybeans and edible vegetable oils, which more than offset smaller lard exports. Export demand for U. S. soybeans from dollar importing areas during March-September 1962 is expected to be stronger this year than last, and movement of cottonseed and soybean oils under the Food for Peace Program (especially Title I, P. L. 480) will be heavy. For the entire 1961-62 marketing year, exports of all food fats may set a new record of around 4.4 billion pounds compared with 3.2 billion last year.

Exports of cottonseed and soybean oils in 1961-62 are likely to set a new record of nearly 1.9 billion pounds compared with 1.1 billion last year. Most of the increase is expected in soybean oil with cottonseed oil also up. Exports of these edible vegetable oils under the Food for Peace Program likely will total about 1.1 billion pounds, twice as much as in 1960-61. Much of this expansion will consist of donations through charitable agencies. Movement of oil and shortening so far under the special donation program has been substantial, averaging about 35 million pounds each month since October 1961.

The price premium of crude cottonseed oil (Valley) over soybean oil (Decatur) remained rather small through the marketing year 1960-61, averaging about 1.0 cent per pound. The price differential between these two oils has been much greater this year and has widened as the year progressed. From 1.3 cents per pound in October 1961, the spread has widened to 2.5 cents in mid-April 1962, averaging about 2.2 cents for the period, whereas during these same months last year there was virtually no differential. Cotton oil will continue to command a price premium over bean oil and the spread probably will widen a bit more.

Fruit

Consumer demand for fruit is expected to continue somewhat stronger this spring and summer than in this period of 1961. Remaining supplies of grapefruit and pears are lighter than a year ago, and grower prices are up substantially. But supplies of oranges and apples are up and prices down. Packers' stocks of most processed fruits and fruit juices continue heavy.

The Southern States expect a 1962 peach crop smaller than last year although above average. Cold weather hurt the crop, particularly west of the Mississippi River. In California most deciduous tree fruits other than apples had passed peak bloom by April 1, with bloom occurring a week to 10 days later than last year because of recent cold weather. In most areas other than California and the Southern Peach States, it was still too early for bloom.

Supplies of fresh strawberries from the early spring States are expected to be much larger during late April and early May than in the same period of 1961. Early-season supplies from California, which is included with the mid-spring States, have been delayed by unfavorable weather. The prospective mid-spring and late spring acreages combined, which produce most of the annual supply for both fresh market shipment and processing, are moderately larger than in 1961. On April 1, 1962, cold-storage holdings of frozen strawberries were about 7 percent lighter than a year earlier.

Although movement of apples from cold storage continued good during March, stocks on April 1 were about 10 percent larger than a year earlier. Prices for most varieties and styles of pack at important New York shipping points in early April averaged somewhat below a year earlier. But in Washington, prices tended to be above year-earlier levels. Pear prices on the principal auctions in early April averaged considerably above a year earlier, mainly because of much lighter sales. Storage apples are expected to continue on the market until July, but pears are nearing the end of the season.

Remaining supplies of 1961-62 crop oranges in Florida, now mostly Valencias, are moderately larger than a year ago, while in California they are a little lighter. Grower prices in Florida during March and early April declined to levels considerably below those of a year earlier, but in California, they were not greatly different from comparable prices in 1961. The decreases in Florida more than eliminated the gains immediately following the freezes in winter, when damage to the crop seemed greater than finally was experienced. Some firming of prices should occur in spring as harvest of Valencias, which are used heavily for frozen concentrate, becomes seasonally large. In contrast to the situation with oranges, remaining supplies of grapefruit, now mostly in Florida, are substantially smaller than a year ago. Grower prices for Florida pink seedless have increased in recent weeks while prices for other classes have tended to hold steady. All classes averaged above a year earlier.

Output of Florida frozen orange concentrate to April 7 of the 1961-62 season, made almost entirely from early and midseason oranges, totaled about

59 million gallons, 20 percent larger than a year earlier. Production from the Valencia crop will be seasonally heavy from late April into June, and total output for 1961-62 is expected to exceed the record 84 million gallons in 1960-61. Movement from packers to the trade also has been up substantially. But stocks on April 7 were about 26 percent above a year earlier. Reductions in prices, both packer and retail, since January should stimulate sales of the concentrate. The packs of Florida canned single-strength orange and grapefruit juice this season also are up. Packers' stocks on April 7 were much above a year earlier.

Commercial Vegetables

Fresh.--Vegetables for fresh market sales are expected to be in materially smaller supply this spring than last. Aggregate production of 18 spring crops, making up about three-fourths of total spring tonnage, excluding melons, is expected to be down almost a fifth from last spring. Among the various crops, substantially smaller production is indicated for early spring asparagus, snap beans, broccoli, cabbage, cauliflower, cucumbers, lettuce, onions and tomatoes, and spring celery, and green peppers. Spring spinach is expected to be down moderately. Supplies of early spring sweet corn and spring carrots are expected to be moderately to substantially larger than those of a year earlier.

With substantially smaller supplies of a large number of fresh vegetables in prospect this spring than last, prices received by growers during the next 6 to 8 weeks are likely to average materially above those of a year earlier.

Although production estimates are not yet available, acreage estimates are smaller for mid-spring snap beans, late spring asparagus, and spring lima beans. Larger acreages are expected for late spring cabbage and onions. Intentions reports also indicate that growers plan larger acreage of both early summer and late summer cabbage and onions.

Processed.--Remaining supplies of canned vegetables appear to be materially larger than both a year earlier and the recent 10-year average. Supplies of snap beans, lima beans, beets, corn, sauerkraut, and tomatoes are substantially larger than a year earlier, and those of asparagus, and catsup and chili sauce slightly to moderately larger. Supplies of cucumber pickles also appear to be larger. But supplies of carrots, peas, and spinach are substantially smaller, and supplies of pumpkin and squash, and tomato juice slightly to moderately smaller. Overall supplies of frozen vegetables, excluding potatoes, on April 1, were record large for this time of year. Holdings of 725 million pounds, were 17 percent larger than a year earlier and materially larger than average. Holdings of frozen french fried potatoes also were record large for this date. Except for broccoli, carrots, cauliflower, and spinach holdings of all other major items are above a year ago. Stocks of green peas, although above a year earlier, are about average for this time of the season.

Production of winter spinach for processing was materially smaller than a year earlier. Recent intentions reports indicate that processors plan

acreage decreases of 2 percent for snap beans, 1 percent for green peas, 2 percent for sweet corn, and 5 percent for contract cabbage for kraut. Acreage of green lima beans is expected to be about the same as last year, but indicated acreage of tomatoes for processing is up 9 percent.

Potatoes and Sweetpotatoes

Because of large stocks of fall crop potatoes, supplies in recent months have been heavier and prices materially lower than a year earlier. However, late spring production is expected to be considerably smaller than a year ago, and prices are likely to average significantly above the low levels of a year earlier. Indicated late spring acreage is down almost 17 percent. Intentions reports also indicate 7 percent less acreage for early summer harvest, and 5 percent less for late summer and fall.

The size of the 1961 sweetpotato crop and unloads data through March indicate that remaining supplies may be the same to slightly smaller than a year ago. Prices during the next 4 to 6 weeks are expected to average moderately above those of a year earlier. Early reports indicate growers plan to plant a slightly larger acreage of sweetpotatoes in 1962.

Dry Beans and Peas

Remaining supplies of both colored and white classes of dry beans are larger than a year earlier. Among major classes, both pea beans and pintos are in heavy supply. The Department of Agriculture has purchased substantial quantities of pea beans and pintos for distribution through school lunch and needy persons programs. Supplies still are heavy and overall prices to growers for the remainder of the season probably will average below the levels of last year, mainly because of larger supplies and lower prices for pinto beans. According to March intentions, growers plan to plant slightly more acreage in 1962 than a year earlier, but yields may average below the record high of 1961.

With remaining supplies of dry peas apparently a little smaller than a year ago, and domestic and export demand expected to be near those of last season, prices to growers for the rest of the season likely will average above those of a year earlier. According to March intentions, growers intend to plant about the same acreage of dry peas as last year. However, near average yields on the intended acreage would result in a materially larger production than in 1961.

Cotton

About 7.7 million bales of cotton are likely to be carried over on August 1, 1962, about 500,000 bales larger than the carryover of a year earlier. The supply for the 1961-62 crop year includes a crop of about 14.3 million bales, a beginning carryover of 7.2 million bales, and imports plus city crop of around 200,000 bales. Estimated disappearance of 14.0 million bales during the current season includes mill consumption of 9.0 million bales and exports of 5.0 million bales.

Estimated mill consumption at about 9.0 million bales compares with 8.3 million bales consumed last season. For the first 7 months of this season, mill consumption totaled 5,378,110 bales, about 592,500 bales larger than for the same period last season. The average daily rate of consumption for each month since September has been above the same period a year earlier. Continuation of this higher rate of cotton consumption during the 1961-62 season is indicated by a higher level of economic activity, lower inventories of cotton broadwoven goods relative to unfilled orders, and a slightly higher rate of cotton textile exports.

Cotton exports during the 1961-62 season are likely to total considerably less than those of last season. The current estimate of 5.0 million bales is 24 percent below the 6.6 million bales of 1960-61. Registrations of cotton for export under the payment-in-kind program through April 13 totaled 3,995,166 bales, 2,030,874 less than for the same period during 1960-61. The decline in exports reflects a working down of stocks and slightly lower consumption in the foreign free world. Stocks of cotton in the foreign free world are expected to be reduced by about 800,000 bales during the current season; last season they were increased by about a million bales.

Stocks of cotton held by the Commodity Credit Corporation (owned and held as collateral against outstanding price support loans) as of March 30, 1962, were about 5.4 million bales, about 2.6 million bales more than a year earlier. At the start of the current season, CCC-held stocks were about 1.5 million bales, the lowest of any August 1 since 1952. They dropped to this low level because large quantities were purchased from CCC and added to free stocks in anticipation of higher prices.

Prospective plantings for the 1962 crop of about 16.4 million acres were indicated as of March 1. This compares with 16.6 million planted acres in 1961. Of the acreage planted to cotton in 1961, about 15.7 million acres were harvested at an average yield of 438 pounds per acre. The March 20 report of the Bureau of the Census indicated ginnings for the 1961 crop of about 14.3 million running bales.

The average 14 spot market price for Middling 1-inch cotton in March was 33.75 cents per pound, up from 33.66 cents per pound in February and 31.07 cents per pound in March 1961. There has been an upward trend of spot market prices since January 1961. The average price received by farmers for upland cotton in March was 29.35 cents per pound, about 0.43 cent above March 1961.

Disappearance of extra-long staple cotton during 1961-62 is expected to be slightly larger than during 1960-61. Increased disappearance is expected to result from higher domestic mill consumption during the current season, about 165,000 bales compared with about 147,900 bales last season. Supply of extra-long staple cotton during the 1961-62 season is expected to be about 281,800 bales, about 106,800 bales more than disappearance.

Tobacco

The demand for cigarette tobaccos in the coming season is expected to continue strong. Cigarette output is likely to reach a new high in 1962 and exports of leaf may be moderately higher than in 1961. Cigar consumption seems likely to increase but little change from last year is expected in the smoking, chewing, and snuff categories.

In 1961, cigarette output at 528 billion rose 4 percent above the preceding year. Filter tip cigarettes accounted for $52\frac{1}{2}$ percent and nonfilter tips, $47\frac{1}{2}$ percent of total output. About 95 percent of the cigarettes manufactured were consumed by U. S. smokers; over 4 percent were exported and nearly 1 percent were shipped to Puerto Rico and other U. S. islands. Cigar consumption in 1961 held virtually even with 1960 but was gaining over the year-earlier period during the last half of the year. The 1961 outputs of smoking and chewing tobacco were slightly above 1960, but output of snuff declined a little.

Exports of unmanufactured tobacco in 1961 at 563 million pounds (farm-sales weight) were 1 percent above 1960 and $2\frac{1}{2}$ percent above the 1956-60 average. Although U. S. exports of tobacco in 1962 may increase moderately, they could be adversely affected over the longer term by increasing foreign production and continuing or new trade barriers. The key elements in the longer term outlook are developments in the European Common Market, including the possible affiliation of the United Kingdom and other countries. The common external tariff on tobacco imported into the present Common Market countries, which is to become effective in gradual steps, will be significantly higher than the average for these countries in the past.

Government price supports for the 1962 crops of eligible tobaccos are 1 percent higher than last season. This reflects the increase in the index of prices paid by farmers, including interest, taxes and farm wage rates, when the 1959-61 average of this index is compared with 1959. This comparison is the legally prescribed basis for determining the 1962 levels of price support for the kinds of tobacco eligible for support.

The 1962 acreage allotments for farms growing flue-cured and burley tobacco were increased 4.3 and 6 percent, respectively, over a year earlier. If yields per acre are near those of the last 2 years, this year's crop of flue-cured tobacco may be 5 percent larger than that of 1961. Carryover of flue-cured on July 1 will be the lowest in 8 years, but if the crop should turn out 5 percent larger, the total 1962-63 supply would be about 1 percent above 1961-62. The 1962 crop of burley may be around 3 percent larger than last year's. The yields per acre of the 1961 crop averaged very high due in part to high moisture content. The carryover of burley may slightly exceed the year-earlier figure and total 1962-63 supply may be up about $1\frac{1}{2}$ percent from 1961-62.

Based on the 1962 prospective acreages and average yields of recent years, the 1962 production of fire-cured tobacco may be a little below last season's volume, but the reduction in total supply will be due more to a

sizable drop in carryover. The 1962 production of dark air- and sun-cured tobacco may approximate last year's volume, but carryover may show a small decline.

The 1962 acreage allotments for Ohio cigar filler, Wisconsin cigar binder, and Connecticut Valley cigar binder types were reduced and for most farms are 15 percent less than in 1961. The total 1961-62 supply of Pennsylvania cigar filler (on which no marketing quota is or has ever been in effect) is the largest since 1952-53. The total 1961-62 supplies of the Connecticut Valley binder types declined to a new low but for the Ohio and Wisconsin cigar types are the largest in 4 years. Indications are that Pennsylvania tobacco acreage will be the same this year as last, but there will be significant declines in acreage in Ohio, the Connecticut Valley and Wisconsin.

Auctioning of the 1961 Maryland crop began April 24. The total estimated supply--carryover stocks plus the 1961 crop--is about even with that of a year ago. The 1962 acreage is indicated to be the same as that harvested last year.

Arrivals of foreign cigarette tobacco, mainly from Turkey and Greece, to the United States in 1961 rose considerably above those of any previous year. Total arrivals of cigar tobacco from the Dominican Republic, Colombia, Brazil, Paraguay and Indonesia rose sharply above those of a year earlier. Imports of Cuban tobacco were embargoed by the United States on February 7, 1962; stocks of Cuban tobacco in this country on January 1, 1962 were $1\frac{1}{2}$ times as much as that used by U. S. manufacturers during calendar year 1961.

ECONOMIC FACTORS AFFECTING AGRICULTURE, 1929, 1941, and 1947-61

DPS-88

April 1962

Item	Unit or base	1929	1941	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961 ^p
Industrial production, total ^{1/}	1957=100	38	56	65	68	64	74	81	84	91	85	96	99	100	93	105	108	109
Final products	do.	---	---	65	67	65	74	79	85	91	86	95	99	100	95	107	111	112
Consumer goods	do.	---	---	70	72	71	82	81	82	88	87	96	96	100	99	110	114	116
Autos	do.	---	---	48	55	70	92	76	63	89	81	124	92	100	71	96	117	97
Equipment, including defense	do.	---	---	53	56	50	54	75	90	96	85	91	99	100	87	100	103	104
Materials	do.	---	---	66	69	64	75	82	83	91	84	97	100	100	91	104	106	106
Total outlay for new construction ^{2/}	Bill. dol.	10.8	12.0	17.9	23.2	24.2	30.0	32.7	34.7	37.0	39.2	44.2	45.8	47.8	49.0	56.6	57.6	57.4
Private residential	Bill. dol.	3.6	3.5	7.5	10.1	9.6	14.1	12.5	12.8	13.8	15.4	18.7	17.7	17.0	18.0	25.0	22.5	22.5
Total civilian employment ^{3/}	Millions	47.6	50.4	57.8	59.1	58.4	59.7	60.8	61.0	61.9	60.9	62.9	64.7	65.0	64.0	65.6	66.7	66.8
Nonagricultural payments	do.	37.2	41.2	49.6	51.2	50.4	52.3	53.7	54.2	55.4	54.4	56.2	58.1	58.8	58.1	59.7	61.0	61.3
Unemployed	do.	1.6	5.6	2.4	2.3	3.7	3.4	2.1	1.9	1.9	3.6	2.9	2.8	2.9	4.7	3.8	3.9	4.8
Income:																		
Nonagricultural payments ^{2/}	Bill. dol.	77.7	88.0	172.8	189.2	192.1	211.3	237.0	254.3	271.5	273.8	295.0	317.9	336.1	343.0	368.1	386.2	399.4
Production-worker payrolls ^{4/}	1947=49=100	35.0	49.3	97.7	109.0	97.2	111.7	130.1	137.0	151.7	138.4	153.6	162.4	164.3	151.5	170.3	172.8	170.4
Weekly earnings of production workers in manufacturing ^{4/}	Dollars	24.76	29.48	49.17	53.12	53.88	58.32	63.34	67.16	70.47	70.49	75.70	78.78	81.59	82.71	88.26	89.72	92.34
Durable	do.	26.84	33.56	51.76	56.36	57.25	62.43	68.48	72.63	76.63	76.19	82.19	85.28	88.26	89.27	96.05	97.44	100.10
Nondurable	do.	22.47	24.39	46.03	49.50	50.38	53.48	56.88	59.95	62.57	63.18	66.63	70.09	72.52	74.11	78.61	80.36	82.92
Agricultural trade: ^{5/}																		
Domestic exports	Bill. dol.	1.7	.7	4.0	3.5	3.6	2.9	4.0	3.4	2.8	3.1	3.2	4.2	4.5	3.9	4.0	4.8	5.0
Imports for consumption	Bill. dol.	2.2	1.7	2.8	3.1	2.9	4.0	5.2	4.5	4.2	4.0	4.0	4.0	4.0	3.9	4.1	3.8	3.7
Prices: ^{4/}																		
Wholesale prices, all commodities	1957-59=100	52	48	81	88	84	87	97	94	93	93	93	96	99	100	101	101	100
Commodities other than farm and food	do.	50	50	75	82	80	83	92	89	90	90	92	96	99	100	101	101	101
Farm products	do.	64	50	109	117	101	106	124	117	106	104	98	96	99	104	97	97	96
Food processed	do.	54	47	91	98	89	93	103	101	97	98	94	94	98	103	99	100	101
Consumer price index	do.	60	51	78	84	83	84	90	92	93	94	93	95	98	101	102	103	104
Food	do.	56	44	81	88	85	86	95	97	96	95	94	95	98	102	100	101	103
Prices received by farmers ^{6/} #	1910-14=100	148	124	276	287	250	258	302	288	255	246	232	230	235	250	240	238	240
Crops	do.	135	108	263	255	224	233	265	267	240	242	231	235	225	223	221	221	226
Livestock and products	do.	159	138	288	315	272	280	336	306	268	249	234	226	244	273	256	253	251
Prices paid, interest, taxes and wage rates ^{6/} #	1910-14=100	160	133	152	171	182	190	208	287	277	277	276	278	286	293	297	299	301
Items used in living	do.	154	130	237	251	243	246	268	271	269	270	270	274	282	287	288	290	291
Items used in production	do.	146	130	224	250	238	246	273	274	256	255	251	250	257	264	266	265	266
Parity ratio #		92	93	115	110	100	101	107	100	92	89	84	83	82	85	81	80	80
Government purchases of goods and services ^{2/} #	Bill. dol.	8.5	24.8	28.4	34.5	40.2	39.0	60.5	76.0	82.8	75.3	75.6	79.0	86.5	93.5	97.1	100.1	108.7
Federal (less Government sales)	do.	1.3	16.9	15.6	19.3	22.2	19.3	38.8	52.9	58.0	47.5	45.3	45.7	49.7	52.6	53.5	52.9	57.3
State and local	do.	7.2	7.8	12.7	15.2	17.9	19.7	21.7	23.2	24.9	27.7	30.3	33.2	36.8	40.8	43.6	47.2	51.4

^{1/} Federal Reserve Board. ^{2/} U. S. Department of Commerce. ^{3/} U. S. Department of Labor, old definitions used, 1929=100. ^{4/} U. S. Department of Labor.

^{5/} U. S. Department of Agriculture, Foreign Agricultural Service. ^{6/} U. S. Department of Agriculture, Statistical Reporting Service.

p. Preliminary. #Revised series.

:
:
: The next issue of the Demand and :
: Price situation is scheduled for :
: release May 24, A. M. :
:



Growth Through Agricultural Progress

**U. S. Department of Agriculture
Washington 25, D. C .**

POSTAGE AND FEES PAID

OFFICIAL BUSINESS

NOTICE

If you no longer need this publication,
check here ☐ return this sheet,
and your name will be dropped from
the mailing list.

If your address should be changed,
write the new address on this sheet
and return the whole sheet to:

Division of Administrative Services
Management Operations Staff
Agricultural Economics
U. S. Department of Agriculture
Washington 25, D. C.

DPS-88 - Demand and Price Situation